

Talking Paper for the DCI

1. I am convinced that the DCI needs some sort of advisory board through which he can maintain a dialogue with the agency heads of the Intelligence Community. I am also convinced of the need for full Community participation in preparation of national estimates, including the right to dissent. These requirements are met by USIB as it now operates.

2. In saying that, however, I am not saying that I intend to retain USIB in its present form. Rather, I believe that it is premature to make any decision as to this matter. I think we should wait until the CFI has shaken down a bit, until I have sorted out the structure for national intelligence production, and until the organization of my own office has taken shape. We can wait, because, as Gene Tighe said to me the other day, USIB is working very well. Moreover, you can be assured that whatever I decide to do, it will meet the two requirements that I mentioned, and you will be consulted before I do it.

3. In this connection, the Executive Order places additional responsibilities on me in the coordination of security matters throughout the Community. It would make sense here and now to agree that

we will continue the present USIB Security Committee and charge it with supporting me in carrying out these duties. We can decide later where it will sit in the overall Community structure. Similarly, there is now a need for Community coordination of inspectors general to fulfill the terms of the Executive Order. I am asking Don Chamberlain, my Inspector General, to organize a committee of Community IG's and to serve as its Acting Chairman until his retirement this summer. Again, its location in the structure can be determined later. For the moment, Don will report directly to me.

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Comments on USIB Reorganization

The conservative nature of our current two options on USIB reorganization raises the question of the necessity for any reorganization at the present time.

Unless the Director feels it is imperative for policy reasons to provide a "new look" to DCI affairs in this area sooner rather than later, there appears to be good reasons to defer action. The good reasons involve:

- a. the organization and stabilization of CFI procedures,
- b. the organization of the national production mechanism,
- c. the DOD intelligence reorganization and its stabilization,
- d. the stabilization of the IC Staff and its move and reorganization.

The separation of the DCI's responsibilities in the Executive Order in terms of his CFI responsibilities and his responsibilities for substantive intelligence are, I suggest, tending to create too great a separation in the thinking and action of the substantively oriented bureaucracy and the resource oriented bureaucracy. This appears to be taking place despite the fact that logically and intellectually it is recognized that intelligence management decisions must integrate both of these factors.

Adept organizations can overcome this condition if constant recognition is given to this latter point and further efforts to harden the dichotomy between substance and resources are thwarted.

One organizational approach appears peculiarly relevant to the current situation and offers additional corrective measures in other existing problem areas.

Intelligence operations, both production and collection, are primarily dedicated to current policy concerns and substantive information derived from the foreign environment which will support decisions involving these concerns. From an economic and resource decision standpoint, the resources involved in current intelligence production and collection operations are "spent" costs, and, hence, do not involve resource decisions with the exception of adjustments in apportioned funds to adapt to changes in operating conditions. Thus, the primary concern in this entire operational arena is with the operating efficiency and effectiveness of existing resources -- substantive information gain.

Resource decisions are oriented economically to new investment and/or to the continuity of existing operating resources in the budget and planning period. The substantive problem in this instance is not today's policy concerns but tomorrow's. The entire dependency is upon a projection of the substantive environment and its impact upon the options available in the operating world of tomorrow.

The organizational consequences of this phenomena are not unknown. Operating managers have little time for tomorrow's problem; development and planning are seldom accomplished by operators or on production lines. Corporate management in large complex enterprises long ago learned to separate these functions in management organization and practice at both lower and upper levels.

In intelligence organizational terms at the Community level the consequences of this fact are, I suggest, equally clear. The CFI must concern itself with a substantive base in making its decisions. However, it is not the substantive base or problem of intelligence operations. Current substantive requirements and current collection and production requirements are not directly relevant to CFI resource decisions; they have meaning in this instance only as inputs for extrapolation or projection to the substantive base for resource decisions.

Specifically, this suggests that DCI organization for Community purposes (given a CFI) is faced with the management dichotomy of (a) operational management and its substantive concerns, and (b) planning, programming, and budgeting and its substantive concerns.

One of the principal criticisms of the present NIO structure is that it lacks a collegial integrative approach to its problems and tends to emphasize current policy problems and operating concerns. It appears to be another instance where inadequate attention has been given to the different nature of the two tasks -- that of dealing with today's problem and that of dealing with tomorrow's. Perhaps, we are asking too much of one NIO and an assistant.

What is true of the NIOs is, I suggest, even truer of a senior management advisory mechanism such as USIB. The idea that with the existence of CFI, the USIB can be turned into a board wholly concerned with substantive and support matters is not a valid one.

Considering who and what the USIB membership comprises, what the CFI responsibilities are, and what the DCI's needs are, it appears

clear that the valid dichotomy is not resources and substance, but operations and planning, the latter term meant to embrace planning, programming and budgeting.

Organizationally the DCI's corporate management structure appears to require a senior body of advisors who are actively engaged in intelligence operations and the myriad of day-to-day problems associated with the coordination of such matters. Call it a National Intelligence Operations Board.

The DCI and CFI also appear to require a senior body of advisors who are actively engaged in planning, programming, and budgeting of all Community resources. However, in this instance, provision must be made and careful attention given to the mechanisms which provides the supporting substantive base for these decisions and the role played by such a base in aiding such decisions. Such a group might well be called the National Intelligence Planning Board.

At the outset of this paper it was suggested that reorganization of USIB be deferred pending the stabilization of other Community problems. The implementation of the above type of senior manager advisory organization can be approved in concept today. However, its successful implementation and establishment will require a detailed implementation plan and set of operating procedures. Thus, a second decision is needed which charges the Intelligence Community Staff with the preparation and staffing of such an implementation plan.

